

ANNUAL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY ON VERMONT'S REACH UP PROGRAM



Submitted by:

Eileen Elliott, Commissioner

Department of Prevention, Assistance,
Transition, and Health Access

103 South Main Street

Waterbury, Vermont 05671-1201



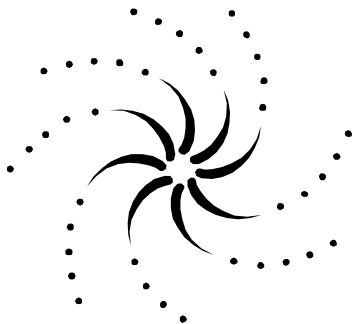
January 31, 2002

Highlights

- In May 2000, the General Assembly enacted Act 147, An Act Relating to Assisting Families to Attain Self-Sufficiency. This legislation set the stage for Vermont's entry into a new era of aiding families with children and the transition to federal welfare reform regulations under TANF (Temporary Assistance for Needy Families).
- Reach Up is the new name of Vermont's welfare program. All Reach Up participants work with a case manager and most are required to participate in activities leading to employment.
- Vermont's 7-year Welfare Restructuring Project (WRP) ended June 30, 2001. The final evaluation report will be published in the summer of 2002.
- While most provisions of Act 147 were effective July 1, 2001, the department phased in the new rules for some parents beginning in November 2000.
- The 15,000 Vermonters receiving welfare remains at an historic 25-year low; this milestone is even more impressive when looked at in the context of the increased population of Vermont over the same period.
- PATH provided training on the new Reach Up requirements to more than 700 PATH staff, contracted case managers, community partners and interested others. Training ranged from detailed specifics for case managers about assessment, work requirements, work/education/training, deferments, and sanctions to a general overview for those not needing that level of detail.
- 310 parents entered the new Postsecondary Education (PSE) program on September 1, 2001, to pursue two- or four-year college degrees.
- An expanded partnership with the Department of Aging and Disabilities' (DAD) Division of Vocational Rehabilitation (VR) will help parents who are physically or mentally challenged find success in the workplace.
- PATH is expanding the job training and work experience options available to Reach Up participants through vocational education providers, employers, and community-based organizations.
- Vermont met its first federal work participation rate requirement for the period July-September 2001, successfully moving families toward self-sufficiency and preserving our federal funds.

Table of Contents

	Page
• Introduction	4
• Barriers	6
• Participant Outcomes	8
• Case Management System	10
• Program Participation for those Leaving Reach Up	14
• Reports	14
• Acronyms and Terms	15



PATH's MISSION

Our mission is to help Vermonters find a path to a better life. To this end, we take on many roles: employment coach, health insurance provider, crisis manager, career planner, champion of families and promoter of human potential. Most importantly, we are Vermonters helping Vermonters.

INTRODUCTION

Federal Welfare Reform

On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, known as the federal welfare reform bill or PRWORA, was signed. Title I of PRWORA created the Temporary Assistance for Needy Families (TANF) program to replace the Aid to Families with Dependent Children (AFDC) and JOBS programs (which were known as ANFC and Reach Up, respectively, in Vermont). In addition, TANF is funded through a block grant in contrast to the open-ended federal financial participation system of the past. TANF-funded assistance to families is limited to 60 months in a lifetime unless the family is exempt under the hardship exception that applies to up to 20 percent of the caseload. This provision does not preclude use of state funds to assist families that are not eligible for federal TANF assistance.

PRWORA gave states the opportunity to continue operation of welfare reform demonstration projects. Vermont continued its Welfare Restructuring Project (WRP) through completion on June 30, 2001, while making plans to transition from WRP to TANF by July 1, 2001.

State Welfare Reform

Vermont is now subject to all federal TANF requirements. In preparation for this transition, Act 147 (2000), An Act Relating to Assisting Families to Attain Self-Sufficiency, renamed the "Aid to Needy Families with Children" program "Reach Up", built on the premises of WRP, and made some fundamental changes to the program effective July 1, 2001.

PATH promulgated policy effective November 1, 2000, to establish a period of transition from ANFC/WRP to the new Reach Up program. This transition continues through May 2002.

PATH also promulgated rules to create the Postsecondary Education (PSE) Program for Low-Income Parents, a separate state-funded program for parents pursuing a two- or four-year degree.

Key elements of Act 147 include:

- ANFC and Reach Up became one program, called "Reach Up". Reach Up has a financial assistance component and a services/family development/self-sufficiency component.

- As soon as a parent or caretaker is granted Reach Up financial assistance, he or she will be assigned a case manager and will be required to participate in activities leading to employment.
- An assessment of each family's strengths, skills, experience, and challenges will occur during the first 30 days of assistance, culminating in the creation of a Family Development Plan (FDP). The assessment will include a literacy evaluation.
- Most parents and caretakers will have a work requirement as soon as they are work ready, or at the end of 12 cumulative months of receiving Reach Up financial assistance, whichever is earlier. The number of hours varies by the household's situation. Extensions and deferrals may be granted.
- The work requirement may be met by participation in subsidized or unsubsidized employment, community work experience, vocational training, or other activities as specified in federal law and Vermont Reach Up policy.
- In recognition of the importance of reliable transportation, Act 147 allows two-parent families to have two vehicles excluded as a resource.
- Failure to participate in FDP or work activities without good cause will result in a fiscal sanction, beginning at \$75 per month.
- "Separate state programs" will be created for adults in postsecondary education, parents who are not participating in work activities for the required number of hours when necessary to meet federal work participation rate requirements, and single parents with a child under the age of two (subject to a 24-month life-time limit). This provision enhances the state's ability to preserve longstanding Vermont policies and to meet the federal work participation rates and preserve federal funding.
- PATH will be required to complete various evaluations and annual reports to the legislature, as well as comply with TANF federal reporting requirements.

This report is submitted pursuant to Section 1134 of Act 147, Program Evaluation, subsection (a) and the sections correspond to the numerical paragraphs under subsection (a).

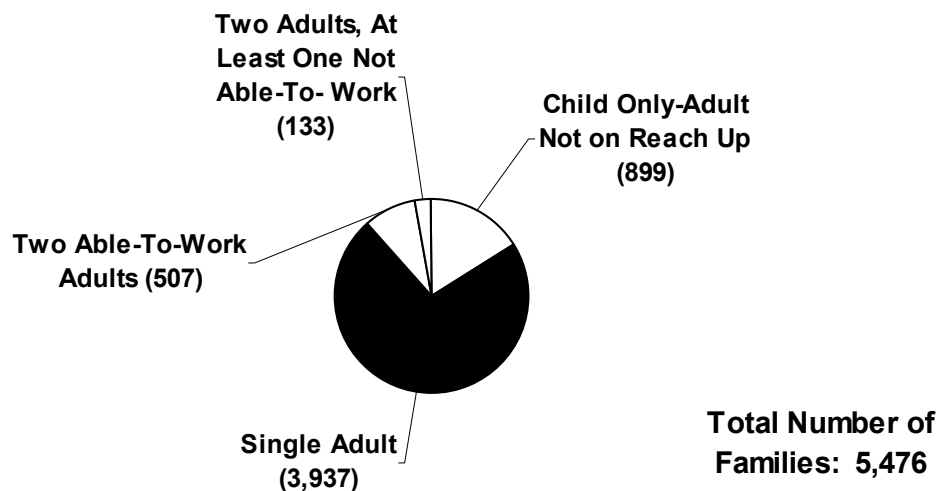
The new Reach Up program has just begun and is still in transition. This year's report provides a partial year of information about the program and some information is not yet available. Future reports will include data covering a full year and provide a more comprehensive look at the program.

Readers may want to refer to page 15 for additional information about the acronyms and terms used in this report.

SECTION 1
TYPES OF BARRIERS FACING REACH UP FAMILIES SEEKING ECONOMIC SELF-SUFFICIENCY, THE NUMBER OF FAMILIES WITH EACH TYPE OF BARRIER, AND THE FREQUENCY OF OCCURRENCE OF EACH TYPE OF BARRIER.

To give context to the information in this report, the first two charts present a picture of the types of families that participate in the Reach Up program and the number of adults in these families.

**Types of Families in the Reach Up Caseload
July-September 2001**



Average Number of Adults Participating in Reach Up Program July-September 2001

Family Type		Average Number of Adults Participating in Reach Up
	Child Only (child's parent or caretaker is not on Reach Up)	0
	Single Adult	3,937
	Two Able-To-Work Adults	1,015
	Two Adults, at least One Not Able-to-Work	266
	Total Adults	5,218

Number of Reach Up Participants With Barriers Identified in July-December 2001

A brief description of some of the factors contributing to each barrier is included.

Types of Barriers	Number of Participants	% of Participants Assessed
Adult employment – minimum skills, poor work history, not matched with labor market	796	39%
Child development – child has serious delays, high absenteeism, needs significant adult intervention, no childcare available	399	20%
Community relations – negative relationship with neighbors, community	172	8%
Education – lacks essential skills, limited literacy, doesn't set education goals	658	32%
Family interactions – isolated, conflicts, subject to emotional or physical harm	249	12%
Finances – can't meet basic needs, bills in arrears, no knowledge of available help	633	31%
Food and clothing – lack of resources for nutritious food and adequate clothing	205	10%
Health and safety – condition that limits employment choices, poorly nourished, untreated or poorly treated health problems, danger to self or others	485	24%
Legal issues – court issues pending, criminal record, family member incarcerated	349	17%
Shelter – temporary, transitional or unsafe housing, being evicted, poor rental history/references	353	17%
Social/emotional health – unable to cope with pressure, substance abuse, mental/emotional disturbances	434	21%
Transportation – no safe/reliable car, no license, can't afford insurance	816	40%
Working skills and habits – inappropriate clothing/hygiene, misses appointments or deadlines, doesn't meet expectations	488	24%
Total Number of Participants*	2042	100%
Average Number of Barriers/Participant	3.0	

**20 participants were assessed twice. Since both of the assessments for these individuals are reflected here, the actual number of people receiving assessments was 2022. They represent about 40% of all adult participants in the program.*

A deferment is a temporary postponement of the full work requirement. A deferred participant must have an FDP with an employment goal and be participating in activities leading to the goal to the extent that he or she is able. Activities should include some work activities if the person is able to participate.

Families With Deferments July-September 2001

Type of Deferment*	Average Number of Families, by Type				
	Single Adult	Two Able-to-Work Adults	Two Adults, at Least One Not Able-to-Work	Child Only (Adult Not on RU)	Total
Awaiting medical decision	41	6	3	0	50
Medical condition < 90 days	81	6	1	0	88
Medical: Voc Rehab referral	98	6	3	0	107
Medical: SSI or Medical Review Team referral	4	0	0	0	4
Able to work part-time with medical condition	2	0	0	0	2
Child < 13 weeks	10	0	2	0	12
Child < 6 months	46	1	2	0	49
Child < 2 years but > 6 months	70	0	0	0	70
Needed in home	65	1	3	0	69
Child care not available	4	0	0	0	4
Transportation not available	2	0	0	0	2
In education (limited options)	1	0	0	0	1
Domestic violence barriers	2	0	0	0	2
No deferment	3511	487	119	899	5016
Total	3937	507	133	899	5476

**Figures represent the deferment status of the primary earning adult.*

SECTION 2

DOCUMENTATION OF PARTICIPANT OUTCOMES, INCLUDING SPECIFIC INFORMATION RELATING TO:

- **THE NUMBER OF PERSON EMPLOYED, BY OCCUPATION, INDUSTRY AND WAGE; THE TYPES OF SUBSIDIZED AND UNSUBSIDIZED JOBS SECURED BY PARTICIPANTS;**
- **ANY AVAILABLE INFORMATION ABOUT OUTCOMES FOR CHILDREN WHO HAVE PARTICIPATED IN THE REACH UP PROGRAM, INCLUDING OBJECTIVE INDICATORS OF IMPROVED CONDITIONS; AND**
- **THE NUMBER OF PARTICIPATING FAMILIES INVOLVED IN TRAINING PROGRAMS.**

This section presents information on the number of participants working, the types of work activities they undertook, and the wages earned by these participants. At this time, we are unable to report on the occupations and industries in which these participants are employed. This information will be provided in the next annual report. This section also presents information on the ages of the children participating in the Reach Up program and the average number of children in each household. Since the program just began in July 2001, we do not yet have outcome measures related to improvement in the wellbeing of children participating in the Reach Up program.

Vermont became subject to the two federal work participation rates beginning July 1, 2001 and met its first quarter requirement. Following is a chart that illustrates Vermont's obligation for that quarter. Rates for the next quarter are not yet available.

Federal Work Participation Rates, July-September 2001

	All Families	2-Parent Families
Average Work Participation Rate	19.4%	34.9%
Average Number of Families Satisfying Federal Work Requirement Through Work Activities	761	164

Monthly Earned Income For Reach Up Families, July-September 2001

(includes wages and self-employment income)

Monthly Earned Income	Average # of Families	As % of All Families
None	4210	77%
\$1-\$300	295	5%
\$301-\$600	354	6%
\$601-\$900	296	5%
\$901-\$1200	149	3%
\$1201-\$1500	84	2%
\$1501-\$1800	48	1%
> \$1800	40	1%
Total	5476	100%

Types of Work Activities For Reach Up Participants, July-September 2001

Activity Type	Average # of Participants
Unsubsidized Employment	1034
Subsidized Public Sector Employment	14
Work Experience	77
On-the-Job Training	20
Job Search	507
Vocational Education	47
Job Skills Training	311
Satisfactory School Attendance	265

As shown in the table above, the average number of participants in training activities (on-the-job training, vocational education, and job skills training) was 378. In addition, 310 participants were enrolled in the post-secondary education program in September.

Age of Children Participating in Reach Up Program, July-September 2001

Age	Average # of Children	As % of All Children
0 to 1	857	9.0
1 + to 2	664	7.0
2 + to 3	687	7.2
3 + to 6	1792	18.8
6 + to 10	2202	23.1
10 + to 16	2696	28.3
16 + to 18	579	6.1
> 18	53	0.6
Total	9530	100.0

SECTION 3 A DESCRIPTION OF THE CASE MANAGEMENT SYSTEM AND THE TRAINING OF CASE MANAGERS

Overview of the PATH's Case Management System

PATH provides comprehensive case management services to all families receiving Reach Up financial assistance. PATH's management system provides adults and mandatory youth with a primary case manager located in one of five types of organizations, and

includes services provided by community-based organizations as needed and appropriate.

Case management begins as soon as a family applies for financial assistance and continues until the family is no longer eligible for case management services --- generally when a family has achieved a significant measure of economic self-sufficiency.

Case managers supported by PATH have three primary functions:

❖ **Complete in-depth assessments**

Case Managers gather information about each family member. Case managers use a Family Support Matrix to look at 13 areas of family life:

- ☐ Basic Needs Assessment: shelter, food and clothing, transportation, and finances
- ☐ Family and Individual Health and Resiliency Assessment: health and safety, child development and education, social and emotional health, family interactions, legal, and community relations
- ☐ Employability Assessment: adult education, adult employment, and work skills and habits

Case managers, in consultation with family members and other resources as appropriate, determine whether or not the areas listed above support the family's efforts to achieve economic self-sufficiency, interfere with these efforts, or have no impact.

See chart in Section 1 for additional information about barriers and deferments.

❖ **Negotiate a Family Development Plan**

Based on initial and ongoing assessment results, case managers work with the adults in the family to identify realistic employment goals. Once employment goals are set, case managers work with the families to identify activities and services that would support the adults' efforts to achieve their goals. The Family Development Plan (FDP) details the activities a family will complete and the support services the family will need to participate in agreed upon activities. The FDP functions as a working contract between the Department and the family.

❖ **Provide ongoing support and assistance**

Once an initial assessment and FDP are completed, case managers have at least monthly contact with families to discuss progress on the activities detailed on the FDP. As needed, case managers work with the families to change or modify plans, identify additional resources or activities, and initiate or support problem-solving efforts.

To better meet the diverse needs of PATH participants, the Department provides case management services through twelve district PATH and Department of Employment and

Training (DET) offices, fifteen Parent Child Centers (PCCs), statewide through a network of Vocational Rehabilitation (VR) counselors working in conjunction with local PATH, DET, and PCCs, and within the college setting for participants enrolled in the Postsecondary Education (PSE) program.

In general, PATH case managers provide services to single parents, DET case managers provide services to two-parent households when both parents are able-to-work, Parent Child Centers provide services to minor and young parents, VR counselors provide services to participants with documented disabilities, and PSE case managers provide services to participants enrolled or preparing to enroll in two- or four-year degree programs.

Background and Training of Case Managers

Entry-level requirements for case managers vary from organization to organization. PATH requires that in-house case managers have at least a bachelor's degree or equivalent in an appropriate field of study and experience providing case management services, before they begin providing these services. External contractors set their own entry-level standards and PATH relies on their hiring practices to insure that case managers have the requisite skills.

Prior to the implementation of Act 147, post-employment training for case managers would include:

- Overview of PATH programs, services, and benefits
- Basic and Advanced Interviewing
- Reach Up Services Training
- Domestic Violence
- Substance Abuse
- Reach Up ACCESS
- Work-Readiness Training
- Update training on programs, policy and implementation practices

In addition to training, the work of case managers is supported in four ways:

- ☐ Supervisory Case Reviews: Supervisors regularly review case files and use the results of the reviews to work individually with case managers to improve practices.
- ☐ Mentors: New case managers are often paired with experienced case managers.
- ☐ Program Performance Audits: Random audits of files are conducted as part of a quality assurance and continuous improvement effort. Findings are used to determine areas that may require additional training or coaching.
- ☐ Case Manager Meetings: It is common practice for districts to maintain a regular schedule of meetings among case managers. Agendas for the meetings may vary, but typically the groups would discuss resources and issues of local concern, may

brainstorm around particularly difficult situations, and when appropriate meet in smaller teams to coordinate work with families they serve in common.

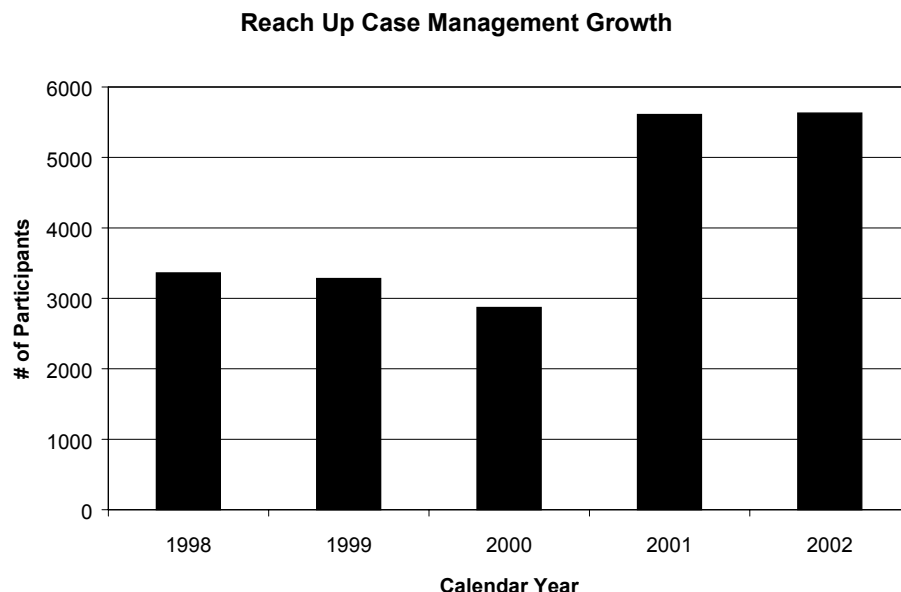
Act 147 Challenges

In preparation for the implementation of Act 147, a review of post-employment training topics suggested that the following areas would need to be addressed:

- Assessment
- Communications including de-escalation training
- Setting employment goals and using labor market information
- Financial management
- Identifying, developing, and utilizing community resources
- Group facilitation
- How to work in consultation or collaboration with community resources
- Effective caseload management practices
- Orientation to Act 147

Training in several of the areas identified above has already been developed and is being offered. Plans are underway to cluster the remaining topics in a case management series that will be available during SFY '03.

On July 1, 2001, Reach Up became a mandatory program, and every family receiving Reach Up financial assistance needed to be assigned a case manager. As the following chart demonstrates, this change significantly increased the need for case management capacity.



As PATH has not increased the number of in-house or contracted case managers, the increased workload is being addressed by increasing caseload sizes and finding more efficient, effective, and appropriate ways to work with families and utilize existing community resources. With only six months of experience operating under the new

program, it is too early to predict whether the preparations made to implement Act 147 are adequate and working effectively.

Vermont state government is moving toward performance based budgeting/decision-making. Each department was asked to select a program and include a description of results desired, key indicators, baseline, strategy and performance measures in their SFY03 budget recommendations submission. PATH chose the Reach Up program. Beginning in January of 2002, the Department will use these performance outcomes to track progress toward meeting the goals of Act 147 and to make adjustments in our program, including our case management system, as appropriate.

SECTION 4
DATA ABOUT THE FOOD STAMP PARTICIPATION OF HOUSEHOLDS
WHO HAVE LEFT REACH UP DURING THE LAST FISCAL YEAR

SECTION 5
DATA ABOUT THE ENROLLMENT OF INDIVIDUALS WHO HAVE LEFT REACH UP
DURING THE LAST FISCAL YEAR IN A HEALTH CARE ASSISTANCE PROGRAM

We will begin reporting specific information about families that no longer receive Reach Up benefits in January 2003 at which time the program will have operated for a full fiscal year. In the meantime, we do have some general information about the participation of families in our food stamp and health care assistance programs.

In December 2001, 15,700 children received food stamp benefits and of those, about 7,500 also received Reach Up benefits. What this also illustrates is that more than 8,200 additional children and their families are participating in the food stamp program – some of whom had left the Reach Up program because of earnings or for other reasons. In an effort to help families stretch their food dollars, we included an insert in our annual tax mailing to families who received Reach Up benefits anytime during 2001, to let them know about recent food stamp program changes and to encourage them to apply.

Our state is a leader in providing health care assistance to children and families. While a family of three loses eligibility for Reach Up when their income reaches approximately \$12,000 a year, the adults will be eligible for transitional Medicaid until their annual income reaches \$28,000 and their children remain eligible for Dr. Dynasaur until the family's income tops \$45,000 (even higher income if the family pays for child care). In December 2001, 73,275 children and adults were covered by Medicaid/Dr. Dynasaur.

SECTION 6
SUMMARY OF ALL INTERIM AND FINAL REPORTS SUBMITTED BY
INDEPENDENT EVALUATION CONTRACTORS TO THE AGENCY OR
THE DEPARTMENT RELATING TO THE REACH UP PROGRAM

No reports have been submitted. The Department will be contracting for independent three-year evaluations and will provide interim annual reports on the progress of the evaluation.

Acronyms and Terms

ABLE-TO-WORK Free of any physical, emotional or mental condition that would prevent the individual from engaging in any combination of the work activities for at least 35 hours/week.

ANFC Aid to Needy Families with Children. The name of Vermont's welfare program through 6/30/01. (See Reach Up)

BARRIER Any physical, emotional or mental condition; lack of educational, vocational or other skill ability; lack of transportation, child care, housing, medical assistance or other services or resources; domestic violence circumstances; caretaker responsibilities or other conditions or circumstances that prevent an individual from engaging in employment or other work activity.

BLOCK GRANT A federal funding mechanism that sets a maximum funding level. The TANF block grant for Vermont is \$47.4 million per year. Prior to PRWORA, welfare was funded as an entitlement program.

FAMILY BONUS Up to \$50.00 per month is given to Reach Up families and not counted in their grant – based on whether child support was paid to OCS by a noncustodial parent two months prior. Formerly known as DEFRA, disregard or passalong. (See also Parent Share)

FAMILY SUPPORT MATRIX Primary assessment tool in determining a participant's work status. It forms the foundation for the family's FDP.

FDP Family Development Plan. An individualized written plan developed by the case manager with involvement of the family that charts the family's participation in the services component of Reach Up. The plan identifies an employment goal and describes the goals, tasks, services and timeframes for completion of the FDP.

MOE Maintenance of Effort. A provision of the TANF block grant that requires states to continue to spend state funds on assistance for families. Vermont's annual requirement is \$27.4 million (\$25.7 million if TANF work requirement rates are met).

OCS Office of Child Support. The state office responsible for administration of child support activities including paternity establishment and support collection.

PARENT SHARE A portion of the Reach Up financial assistance benefit that is based on current child support from two months prior (if any). It is sent to the family by PATH. This was formerly referred to as child support and was formerly sent to the family by OCS.

PATH The Department of Prevention, Assistance, Transition, and Health Access. Formerly known as the Department of Social Welfare (DSW). The state department responsible for the

administration of Reach Up financial assistance and case management, and the health insurance, food stamps, fuel assistance, general assistance, and essential person programs.

PARTICIPATION PHASES Adults move toward work and independence from Reach Up financial assistance by progressing through the phases of the Reach Up service component. The four phases are: application phase, pre-work-ready phase, work-ready phase and employment phase. Participation in each of the second and third phases is limited to 12 cumulative months for each adult during a lifetime. Not all adults will spend 12 months in each of these phases (many, only a short time) and some will skip the work-ready phase and move right to the employment phase.

PRWORA Personal Responsibility and Work Opportunity Reconciliation Act. Federal legislation passed in August 1996, commonly called welfare reform, that among other things created TANF.

PSE Postsecondary Education. A separate state program that enables low-income Vermont parents to receive financial assistance stipends, case management, and support services while pursuing two- or four-year postsecondary education degrees.

REACH UP (RU) As of July 1, 2001, Vermont's welfare (TANF) program that has a financial assistance component and a services component. PATH staff determine a family's eligibility for Reach Up.

TANF Temporary Assistance for Needy Families. The federal welfare program name and block grant funding source enacted under PRWORA in August 1996.

TIME LIMIT The federal limit of 5 cumulative years of TANF-funded benefits to a family. There is a 20% hardship exemption. A state may use state funds to continue to support a family not eligible for TANF. Currently, Vermont does not have an "end of benefits" policy.

VR (VOC REHAB) Vocational Rehabilitation. A division of the state Department of Aging and Disabilities (DAD) that partners with PATH to work with Reach Up participants.

WORK ACTIVITIES The activities that participants must engage in to fulfill their work requirement. An approved activity is one approved by the case manager as an FDP requirement. A countable activity is one that can be counted toward the hours of a participant's work requirement. Countable work activities include: unsubsidized employment; job search; subsidized employment; work, training and education placement; community service placement; work experience; vocational education; job skills training; basic education directly related to employment; and self-employment. Activities may be restricted in time or scope.

WORK REQUIREMENTS The requirement to participate in work activities. The participant must work or engage in countable work activities for 20, 30 or 40 hours, depending on the family composition.

WRP Welfare Restructuring Project. Vermont's 7-year welfare reform that began July 1, 1994, and ended June 30, 2001. When WRP ended, Vermont became subject to all federal TANF requirements.



